

Governor Barbour Updates Lawmakers On Recovery, Rebuilding, Renewal

(Jackson, Mississippi) – Governor Haley Barbour today distributed the following information to members of the Mississippi Legislature as he conducted another in a series of detailed updates on recovery, rebuilding and renewal activities related to Hurricane Katrina:

The recovery continues.

- Hurricane Katrina left more than 45 million cubic yards of debris in its wake, twice as much as the previous record caused by Hurricane Andrew. As of June 19, 2006, 97 percent of the debris has been removed statewide, and 96 percent of the debris in the three coastal counties has been removed. Removal of debris in the Mississippi Sound and related tributaries has begun.
- Temporary housing after a disaster has never been installed as fast or on such a large scale as it has been in Mississippi after Hurricane Katrina which has made it possible for Mississippians to stay near their homes, schools, and workplaces. As of June 19, 2006, more than 103,000 Mississippians occupy 38,328 temporary housing units. According to the independent demographic research firm Claritas, the population of the six coastal Mississippi counties is currently 98 percent of the pre-Katrina population.
- Increased economic activity on the Coast is evident by increased sales tax collections in coastal municipalities. Sales tax collections for cities in the three coastal counties are higher than one year ago, with the exception of Waveland, Bay St. Louis, Pass Christian and Long Beach.
- According to the Bureau of Labor Statistics, non-farm employment in Mississippi eclipsed the pre-Katrina level in February 2006, despite 70,000 Mississippians being eligible for disaster unemployment benefits.

The State is implementing new, innovative assistance programs and the federal government is providing an unprecedented amount of resources.

To rebuild housing and to help homeowners

- About 16,000 applications submitted in Phase I of the Homeowners Assistance Program. A random sample shows the average applicant's average income is less than \$45,000. The National Mortgage Bankers Association and other national financial industry organizations have objected to the implementation of the program and the issuance of checks will be delayed until this issue is resolved.

- The registration process for Phase II of the Homeowners Assistance Program has begun. Phase II will focus resources to low, moderate, and workforce income homeowners regardless of insurance status pre-Katrina and the homes can be in the flood plain. More than 3,200 people have applied thus far. A public advertising campaign will begin next week to encourage people to apply.
- As of June 19, 2006, the Small Business Administration has approved \$1,958,689,700 of housing loans to 28,551 Mississippians.
- \$100 million will be available to help public housing agencies repair and rebuild affordable housing in coastal areas most devastated by Hurricane Katrina, specifically the Gulfport-based Mississippi Regional Housing Authority No. VIII and public housing authorities in Bay St. Louis, Biloxi, Waveland and Long Beach. More than 90 percent of the nearly 2,700 public housing units operated by these five authorities were damaged in the hurricane, with approximately 10 percent of their units being totally destroyed. The public comment period on this plan has closed and MDA will soon publish an application and an RFP for a construction/development manager, pending final approval of the plan by the Department of Housing and Urban Development.
- Since Katrina, the Governor and Mississippi Home Corporation have used authority granted by the federal GoZone legislation to authorize the issuance of more than \$100 million of mortgage revenue bonds, allowing 1,042 families to obtain below-market interest rates to buy a home.
- To help rebuild affordable housing for low income Mississippians, the federal GoZone legislation provides Mississippi additional Low Income Housing Tax Credits. Mississippi's usual allocation is \$1.90 per capita; Mississippi will get an allocation of \$18 per capita in the Go Zone each year for three years. Governor Barbour is committed to ensuring that these tax credits are used to build affordable housing in the areas with the greatest need. To maximize the benefit of the tax credits, the Governor is seeking a change in the federal law to allow the 2006 credits to be used in 2007.

To keep insurance and utility rates affordable

As a result of Hurricane Katrina, 16,000 policy holders in the wind pool, almost all of whom have already incurred devastating personal losses, faced the prospect of a 400% rate increase in their annual premiums for wind and hail insurance. \$50 million of CDBG funds (\$30 million in 2006 and \$20 million in 2007) have been set aside to mitigate an expected increase in the cost of insurance to consumers under "wind pool" policies. In addition, \$360 million is set aside for a ratepayer mitigation plan to prevent large increases in electric rates resulting from utility infrastructure restoration in the wake of Hurricane Katrina. Both of these plans are currently open for public comment.

- The Mississippi Department of Human Services has assisted more than 29,000 households with nearly \$12 million of supplemental Low-Income Home Energy Assistance (LIHEAP) funds to help pay energy bills.

To improve public infrastructure

- Water and sewer systems in the Gulf Coast region were decimated by Hurricane Katrina, causing tens of thousands of our citizens to be without these basic services. These systems must be repaired, improved and storm-proofed to ensure future hurricanes do not have the same devastating impacts, and new infrastructure is needed for development which will occur as people move further inland. The Gulf Coast Regional Infrastructure Program Action Plan, which details how the state will administer \$500 million in federal grants for building new water and sewer, is currently open for public comment.
- In December's supplemental appropriations bill, Congress made a total of \$2.75 billion available for the Federal Highway Administration's "Emergency Relief Program." Although this entire amount is not for Mississippi, these funds will pay for the reconstruction of federal highways in Mississippi such as U.S. Highway 90, I-10, etc. These funds are 100 percent federal (no state match required) with no time limit on when MDOT must complete the project. Although the original cost estimates for repairing some of the highway infrastructure were too low, the federal government will stay pay for completing the project and funds will be made available through the Emergency Relief Program.

To rebuild communities and create jobs

- The state is actively working to promote the federal tax incentives included in the GoZone legislation. The Mississippi Development Authority has met with site selection consultants from around the country and has hosted seminars for Mississippi businesses and local economic development officials throughout the GoZone to educate those potentially helped by the benefits.
- Capital is available for economic development. More than 475,000 insurance claims have been filed and nearly \$10.5 billion of insurance claims have been paid and FEMA has already allocated \$9.2 billion for Mississippi disaster expenses. Additionally, Congress has appropriated approximately \$7.5 billion to fund Mississippi's plan for recovery plus billions more for other activities in Mississippi such as shipbuilding and rebuilding federal facilities.
- There is a labor shortage of the Mississippi Gulf Coast and the Mississippi Department of Employment Security is helping to provide skills and workforce training opportunities to meet the labor demand, especially in construction and

health care trades. The State has received nearly \$85 million in new, special workforce development funds to assist our residents with training and skills development and more is expected. 1,200 people have received temporary recovery jobs through these programs and will be transitioned to permanent jobs when those temporary assignments end. 5,500 people have entered training for permanent jobs through the community college system.

- The Mississippi Development Authority is currently working with the U.S. Department of Housing and Urban Development on the state's proposal to use \$300 million of CDBG funds for targeted economic development projects and community assistance in the 49 GoZone-designated counties.
- The Mississippi Development Authority is currently accepting applications from the hardest hit communities to provide the funds necessary to hire additional building inspectors and permit clerks.
- The Department of Finance and Administration has worked with FEMA to administer the federal Community Disaster Loan program, resulting in \$130 million in approved state-guaranteed loans to local governments. Congress made additional funds available for the CDL program in the recently passed Supplemental Appropriations bill and changed the law to increase the maximum loan, which will be of assistance to the hardest hit communities such as Waveland and Bay St. Louis. Additionally, the Mississippi Development Bank has approved \$148 million in loans to local governments.

To assist small businesses

- As of June 19, 2006, the Small Business Administration has approved 4,078 loans to Mississippi businesses for a total of \$461,571,900.
- Less than a month after Katrina struck, the Legislature authorized a small business no-interest bridge loan program. Working with local bankers, the state loaned 537 businesses \$13.25 million, an average loan of \$24,674. The loans were for 180 days, but the law allows an extension of an additional 180 days. 92 of these loans have already been repaid in full.

To help our schools

- The federal government has provided nearly \$330 million to Mississippi for our K-12 schools. \$225 million was set aside to help school districts restart their operations as they suffer lost property tax revenue. \$104 million is designated for school districts across Mississippi which are educating an estimated 20,000 displaced students. These funds are managed by the State Department of Education.

- To assist universities and community colleges, Congress appropriated \$95 million to Mississippi in December 2005. However, the money could only be used under Title IV authority for student financial aid. The recent supplemental signed into law by the President provides an additional \$50 million for all impacted states. These funds, and any remaining funds from the December supplemental, can be used for lost revenue, operational costs, and future construction projects.
- The State of Mississippi has also guaranteed \$133 million in federal Community Disaster Loans to school districts and community colleges.

To assist law enforcement

- The state received \$58.25 million in federal grants to aid law enforcement and state agencies in the wake of Katrina. This supplemental funding supports these agencies by putting more police on the streets with the necessary equipment, protects law enforcement officers from local budget pressures and adds prosecutors to our justice system.
- More than 60 local state governments and district attorney's offices in 18 counties will receive a total of nearly \$30 million to improve public safety. In addition to directly supporting local governments, about \$6 million of these funds will be used to fund a highway patrol training school, which will provide 50 new trained and equipped highway patrol officers for the state's roads. Another \$1.5 million will be used to provide urgent upgrades to Mississippi's Automated Fingerprint Identification System, and \$17 million will be set aside to provide state support for an interoperable communications system for law enforcement and first responders. Nearly \$500,000 will be used to upgrade the search and rescue equipment of the Department of Wildlife, Fisheries, and Parks, whose wildlife officers played a key role in the aftermath of Hurricane Katrina.

To provide needed health care and social services

- In the immediate aftermath of Katrina, the Mississippi Department of Human Services certified 521,679 individuals as needing disaster food stamps, representing 186,765 households. These food stamp benefits totaled \$110,836,512. Additionally, individuals who were receiving food stamps before Katrina received supplemental benefits of \$24,146,492.
- Parents cannot successfully return to work or focus on work issues when there is no child care available. Therefore, there is a critical need to restore child care services within these counties hardest hit by Hurricane Katrina. More than \$14.4 million of Social Services Block Grant funds have been awarded to the Mississippi State University (MSU) Early Childhood Institute and MSU Cooperative Extension Service to recover and restore childcare programs damaged by Hurricane Katrina.

- Other Social Services Block Grant funds will be used to hire additional social workers, child support enforcement staff, additional mental health and rehabilitative services, the development of special needs shelters, and to aid in the restoration of health care services at hospitals and community health centers.
- In addition to the funding from the Social Services Block Grant, the Department of Mental Health has received more than \$25 million from the Substance Abuse and Mental Health Services Administration (SAMHSA), which is a division of the U.S. Department of Health and Human Services.
- The federal government made at least \$75 million of funding available to pay the costs of uncompensated health care provided in the wake of Katrina. The Division of Medicaid has received over 200,000 claims from Mississippi providers and has begun the reimbursement process.

To restore our environment and natural storm defenses

- Before Katrina, the Governor was working with the Department of Marine Resources on a major environmental restoration initiative to restore the Gulf Coast's barrier islands, oyster reefs, marshes, and other wetlands. Katrina exacerbated these needs, especially concerning the barrier islands, the Coast's first line of defense against hurricanes.
- The Corps of Engineers has just completed its \$10 million preliminary study to address immediate environmental issues. The Corps' study to Congress recommends \$100 million in projects to assist Coast communities with seawall repairs, beach restoration, and storm water drainage repairs.
- The most recent emergency supplemental package provided hurricane impacted states \$156 million to assist with reef and marsh restoration (funding for each state has not yet been determined). The ultimate objective is to restore the barrier islands to their 1900 footprint, restore and create approximately 10,000 acres of reefs and marshes for oyster and shrimp habitat, restore coastal forests, and provide new recreational and commercial fishing infrastructure including piers, boat launches, docks, and marinas.

More help is on the way.

- The Congress and President Bush recently approved another supplemental appropriations bill. The state expects additional Community Development Block Grant funding, which will be used to rebuild and renew the state port at Gulfport.
- The supplemental appropriations bill also authorized the use of \$400 million for FEMA to develop an alternative to the travel trailer as a temporary housing

solution. This was in response to the State of Mississippi's "Katrina Cottage" proposal. The state is working with FEMA to help develop a possible implementation plan.

Praying for the best, but preparing for the worst.

- Post-Katrina, the State of Mississippi has new, unique challenges in preparing for the 2006 hurricane season. Local, state and federal officials joined Governor Barbour in the eight-week informational campaign "Stay Alert, Stay Alive" to help make Mississippians more aware of how to protect themselves for the 2006 hurricane season. A key to this plan is educating Mississippians on the steps they can take to prepare themselves for the next hurricane.
- The campaign focused on a variety of preparedness themes, including family disaster plans, businesses, travel trailers, evacuation routes, volunteer efforts, insurance, health issues and mental health needs. FEMA and the Mississippi Emergency Management Agency also distributed door-hangers to the FEMA travel trailers and mobile homes which feature disaster preparedness tips, remind tenants of an evacuation survey phone line and urge residents not to tow or move their travel trailer during an evacuation.
- The State has revised our disaster preparedness plan to reflect the new post-Katrina challenges, such as more than 100,000 people living in temporary housing.